

November 5, 2021

**VIA ELECTRONIC MAIL**

Luly E. Massaro, Commission Clerk  
Rhode Island Public Utilities Commission  
89 Jefferson Boulevard  
Warwick, RI 02888

**RE: Docket 5189 – 2022 Annual Energy Efficiency Program Plan  
National Grid’s Joint Rebuttal Testimony**

Dear Ms. Massaro:

On behalf of The Narragansett Electric Company d/b/a National Grid (“National Grid” or the “Company”), attached please find the electronic version of the joint rebuttal testimony of Christopher Porter, Angela Li, Jessica Darling, John Richards, Rachel Dugan, and Amy Vavak in the above-referenced matter.<sup>1</sup>

Thank you for your attention to this filing. If you have any questions or concerns, please do not hesitate to contact me at 401-784-4263.

Sincerely,



Andrew S. Marcaccio

Enclosures

cc: Docket 5189 Service List  
Margaret Hogan, Esq.  
John Bell, Division

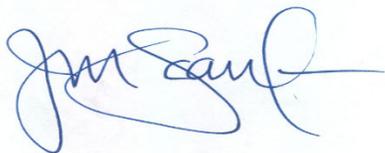
---

<sup>1</sup> Per communication from Commission counsel on October 4, 2021, the Company is submitting an electronic version of this filing followed by six (6) hard copies filed with the Clerk within 24 hours of the electronic filing.

Certificate of Service

I hereby certify that a copy of the cover letter and any materials accompanying this certificate was electronically transmitted to the individuals listed below.

The paper copies of this filing are being hand delivered to the Rhode Island Public Utilities Commission and to the Rhode Island Division of Public Utilities and Carriers.



\_\_\_\_\_  
Joanne M. Scanlon

November 23, 2021  
Date

**Docket No. 5189 - National Grid – 2022 Annual Energy Efficiency Program  
Service list updated 10/27/2021**

<b>Name /Address</b>	<b>E-mail Distribution List</b>	<b>Phone</b>
<b>National Grid</b> Andrew Marcaccio, Esq. National Grid 280 Melrose St. Providence, RI 02907	<a href="mailto:Andrew.Marcaccio@nationalgrid.com">Andrew.Marcaccio@nationalgrid.com;</a>	401-784-4263
	<a href="mailto:Jennifer.Hutchinson@nationalgrid.com">Jennifer.Hutchinson@nationalgrid.com;</a>	
	<a href="mailto:Joanne.scanlon@nationalgrid.com">Joanne.scanlon@nationalgrid.com;</a>	
	<a href="mailto:Celia.obrien@nationalgrid.com">Celia.obrien@nationalgrid.com;</a>	
	<a href="mailto:Matthew.Chase@nationalgrid.com">Matthew.Chase@nationalgrid.com;</a>	
	<a href="mailto:Timothy.Roughan@nationalgrid.com">Timothy.Roughan@nationalgrid.com;</a>	
	<a href="mailto:John.Tortorella@nationalgrid.com">John.Tortorella@nationalgrid.com;</a>	
	<a href="mailto:Christopher.Porter@nationalgrid.com">Christopher.Porter@nationalgrid.com;</a>	
	<a href="mailto:BENJAMIN.RIVERS@nationalgrid.com">BENJAMIN.RIVERS@nationalgrid.com;</a>	
	<a href="mailto:John.Richards@nationalgrid.com">John.Richards@nationalgrid.com;</a>	
	<a href="mailto:angela.li@nationalgrid.com">angela.li@nationalgrid.com;</a>	
	<a href="mailto:Jessica.Darling@nationalgrid.com">Jessica.Darling@nationalgrid.com;</a>	
<a href="mailto:Matthew.Ray2@nationalgrid.com">Matthew.Ray2@nationalgrid.com;</a>		
<b>Division of Public Utilities and Carriers</b> Margaret L. Hogan, Esq.	<a href="mailto:Margaret.L.Hogan@dpuc.ri.gov">Margaret.L.Hogan@dpuc.ri.gov;</a>	401-780-2120
	<a href="mailto:Jon.hagopian@dpuc.ri.gov">Jon.hagopian@dpuc.ri.gov;</a>	
	<a href="mailto:john.bell@dpuc.ri.gov">john.bell@dpuc.ri.gov;</a>	
	<a href="mailto:Joel.munoz@dpuc.ri.gov">Joel.munoz@dpuc.ri.gov;</a>	
Tim Woolf Jennifer Kallay Synapse Energy Economics 22 Pearl Street Cambridge, MA 02139	<a href="mailto:twoolf@synapse-energy.com">twoolf@synapse-energy.com;</a>	
	<a href="mailto:jkallay@synapse-energy.com">jkallay@synapse-energy.com;</a>	
<b>RI EERMC</b>	<a href="mailto:marisa@desautelesq.com">marisa@desautelesq.com;</a>	401-477-0023

Marisa Desautel, Esq. Office of Marisa Desautel, LLC 55 Pine St. Providence, RI 02903  Mike Guerard, Optimal Energy	<a href="mailto:mdewey@desautelesq.com">mdewey@desautelesq.com</a> ;	
	<a href="mailto:guerard@optenergy.com">guerard@optenergy.com</a> ;	
	<a href="mailto:ross@optenergy.com">ross@optenergy.com</a> ;	
<b>Acadia Center</b> Hank Webster, Director & Staff Atty.	<a href="mailto:HWebster@acadiacenter.org">HWebster@acadiacenter.org</a> ;	401-276-0600 x402
<b>Office of Energy Resources (OER)</b> Albert Vitali, Esq. Dept. of Administration Division of Legal Services One Capitol Hill, 4 <sup>th</sup> Floor Providence, RI 02908  Nick Ucci, Commissioner	<a href="mailto:Albert.Vitali@doa.ri.gov">Albert.Vitali@doa.ri.gov</a> ;	401-222-8880
	<a href="mailto:Nancy.Russolino@doa.ri.gov">Nancy.Russolino@doa.ri.gov</a> ;	
	<a href="mailto:Christopher.Kearns@energy.ri.gov">Christopher.Kearns@energy.ri.gov</a> ;	
	<a href="mailto:Nicholas.Ucci@energy.ri.gov">Nicholas.Ucci@energy.ri.gov</a> ;	
	<a href="mailto:Becca.Trietch@energy.ri.gov">Becca.Trietch@energy.ri.gov</a> ;	
	<a href="mailto:Carrie.Gill@energy.ri.gov">Carrie.Gill@energy.ri.gov</a> ;	
	<a href="mailto:Anika.Kreckel.CTR@energy.ri.gov">Anika.Kreckel.CTR@energy.ri.gov</a> ;	
	<a href="mailto:Nathan.Cleveland@energy.ri.gov">Nathan.Cleveland@energy.ri.gov</a> ;	
<b>Original &amp; 9 copies file w/:</b> Luly E. Massaro, Commission Clerk John Harrington, Commission Counsel Public Utilities Commission 89 Jefferson Blvd. Warwick, RI 02888	<a href="mailto:Luly.massaro@puc.ri.gov">Luly.massaro@puc.ri.gov</a> ;	401-780-2107
	<a href="mailto:John.Harrington@puc.ri.gov">John.Harrington@puc.ri.gov</a> ;	
	<a href="mailto:Alan.nault@puc.ri.gov">Alan.nault@puc.ri.gov</a> ;	
	<a href="mailto:Todd.bianco@puc.ri.gov">Todd.bianco@puc.ri.gov</a> ;	
	<a href="mailto:Emma.Rodvien@puc.ri.gov">Emma.Rodvien@puc.ri.gov</a> ;	
<b>Interested Party/Individual</b>		
Frederick Sneesby Dept. of Human Services	<a href="mailto:Frederick.sneesby@dhs.ri.gov">Frederick.sneesby@dhs.ri.gov</a> ;	
Chris Vitale, Esq., RI Infrastructure Bank	<a href="mailto:cvitale@hvlawltd.com">cvitale@hvlawltd.com</a> ;	
	<a href="mailto:SUatine@riib.org">SUatine@riib.org</a> ;	
Ronald Reybitz Stephen Breininger PPL Electric Utilities	<a href="mailto:rjreybitz@pplweb.com">rjreybitz@pplweb.com</a> ;	
	<a href="mailto:skbreininger@pplweb.com">skbreininger@pplweb.com</a> ;	
Green Energy Consumers Alliance Larry Chretien, Executive Director Kai Salem	<a href="mailto:Larry@massenergy.org">Larry@massenergy.org</a> ;	
	<a href="mailto:kai@greenenergyconsumers.org">kai@greenenergyconsumers.org</a> ;	
	<a href="mailto:priscilla@greenenergyconsumers.org">priscilla@greenenergyconsumers.org</a> ;	

**JOINT REBUTTAL TESTIMONY**

**OF**

**CHRISTOPHER PORTER, ANGELA LI, JESSICA DARLING,  
JOHN RICHARDS, RACHEL DUGAN, & AMY VAVAK**

**November 23, 2022**

**TABLE OF CONTENTS**

I.	Introduction .....	1
II.	Purpose .....	6
III.	All Cost-Effective Energy Efficiency .....	7
IV.	Forward Capacity Market.....	14
V.	Benefit Cost Analysis – Economic Benefits .....	15
VI.	Income Eligible and Multifamily Programs .....	19
VII.	Equity .....	24
VIII.	Conclusion.....	28

1 I. **Introduction**

2 **Christopher Porter**

3 Q. **Mr. Porter, please state your name and business address.**

4 A. My name is Christopher Porter. My business address is 40 Sylvan Road, Waltham,  
5 Massachusetts 02451.

6  
7 Q. **By whom are you employed and in what position?**

8 A. I am employed by National Grid USA Service Company, Inc. (“Service Company”), a  
9 subsidiary of National Grid USA as Director, Customer Energy Management, New  
10 England. In this role, I lead the teams responsible for the Company’s energy efficiency  
11 strategy, policy, and planning in Rhode Island and Massachusetts.

12  
13 Q. **Have you previously submitted testimony in this proceeding?**

14 A. Yes, I submitted joint pre-filed direct testimony in this proceeding on October 1, 2021.  
15

16 **Angela Li**

17 Q. **Ms. Li, please state your name and business address.**

18 A. My name is Angela Li. My business address is 40 Sylvan Road, Waltham,  
19 Massachusetts 02451.

20

1 **Q. By whom are you employed and in what position?**

2 A. I am employed by the Service Company as Lead Analyst, Customer Energy  
3 Management, Rhode Island. In this role, I am a member of the team responsible for the  
4 Company's energy efficiency residential strategy, policy, and planning in Rhode Island.  
5 I contributed to many aspects of the development of the Company's 2022 Annual Energy  
6 Efficiency and Conservation Procurement Program Plan ("Annual Plan").

7

8 **Q. Have you previously submitted testimony in this proceeding?**

9 A. Yes, I submitted joint pre-filed direct testimony in this proceeding on October 1,  
10 2021.

11

12 **Jessica Darling**

13 **Q. Ms. Darling, please state your name and business address.**

14 A. My name is Jessica Darling. My business address is 40 Sylvan Road, Waltham,  
15 Massachusetts 02451.

16

17 **Q. By whom are you employed and in what position?**

18 A. I am employed by the Service Company, Customer Energy Management, Rhode Island.  
19 In this role, I am a member of the team responsible for the Company's energy efficiency  
20 strategy, policy, and planning in Rhode Island. I contributed to many aspects of the  
21 development of the Company's Annual Plan.

1 **Q. Have you previously submitted testimony in this proceeding?**

2 A. Yes, I submitted joint pre-filed direct testimony in this proceeding on October 1,  
3 2021.

4

5 **John Richards**

6 **Q. Mr. Richards, please state your name and business address.**

7 A. My name is John Richards. My business address is 40 Sylvan Road, Waltham,  
8 Massachusetts 02451.

9

10 **Q. By whom are you employed and in what position?**

11 A. I am employed by the Service Company as Senior Analyst, Customer Energy  
12 Management, Rhode Island. In this role, I am a member of the team responsible for the  
13 Company's energy efficiency planning, reporting, strategy, and policy. I contributed to  
14 many aspects of the development of the Annual Plan.

15

16 **Q. Have you previously submitted testimony in this proceeding?**

17 A. Yes, I submitted joint pre-filed direct testimony in this proceeding on October 1,  
18 2021.

19

1           **Rachel Dugan**

2   **Q.    Ms. Dugan, please state your name and business address.**

3    A.    My name is Rachel Dugan. My business address is 40 Sylvan Road, Waltham,  
4           Massachusetts 02451.

5

6   **Q.    By whom are you employed and in what position?**

7    A.    I am employed by the Service Company as Senior Analyst, Distributed Energy  
8           Resources. In this role, I am responsible for the Company's energy efficiency  
9           participation in the ISO-NE Forward Capacity Market.

10

11   **Q.    Have you previously submitted testimony in this proceeding?**

12   A.    No.

13

14   **Q.    Please describe your education and your professional experience.**

15   A.    I received a Bachelor of Science degree from the University of Massachusetts Amherst in  
16           2012. I have been working in the energy field since 2011 when I began working for  
17           Conservation Services Group (became CLEAResult in 2015) where I helped to  
18           implement the MassSave program on the residential side. I spent one year as a Policy  
19           Fellow at the company focusing on advocating for energy efficiency legislation across the  
20           states in which we worked including RI. I n 2013 I began working for the company's  
21           Clean Energy Markets department where I began working with the ISO-NE Forward

1 Capacity Market (“FCM”) for clients that owned behind-the-meter solar, in front-of-the-  
2 meter solar, as well as combined heat and power systems and wanted them enrolled in the  
3 FCM. In June 2018 I began working with National Grid as an Analyst helping to manage  
4 the FCM portfolio of EE, CHP, and in front-of-the-meter solar. I’ve been working in that  
5 capacity since then.

6  
7 **Q. Have you previously testified before the PUC?**

8 A. No.

9  
10 **Amy Vavak**

11 **Q. Ms. Vavak, please state your name and business address.**

12 A. My name is Amy Vavak. My business address is 40 Sylvan Road, Waltham,  
13 Massachusetts 02451.

14  
15 **Q. By whom are you employed and in what position?**

16 A. I am employed by the Service Company as the Income Eligible Strategy Principal for  
17 Customer Energy Management New England. In this role, I am responsible for  
18 increasing energy affordability for National Grid’s Massachusetts and Rhode Island low-  
19 and moderate-income customers.

20

1 **Q. Have you previously submitted testimony in this proceeding?**

2 A. No.

3

4 **Q. Please describe your education and your professional experience.**

5 A. I received a Bachelor of Arts degree in Sociology/Anthropology and Women's Studies  
6 from St. Olaf College in Minnesota. I also have a Master of Arts degree in Whole  
7 Systems Design from Antioch University in Seattle, Washington. I have over 12 years of  
8 experience in the New England energy industry. I joined the Service Company in 2014  
9 as a Lead Analyst for National Grid's Massachusetts Residential and Income Eligible  
10 energy efficiency programs. I assumed my current role in 2019.

11

12 **Q. Have you previously testified before the PUC?**

13 A. No.

14

15 **II. Purpose**

16 **Q. What is the purpose of this joint rebuttal testimony?**

17 A. The purpose of this testimony is for the Company to respond to pre-filed direct testimony  
18 submitted in this proceeding on November 17, 2021 by Samuel C. Ross on behalf of the  
19 Energy Efficiency and Resource Management Council ("EERMC"); Joel Munoz and  
20 Jennifer Kallay on behalf of the Division of Public Utilities and Carriers ("Division") on  
21 the topic of the Annual Plan; and Tim Woolf and Ben Havumaki on behalf of the

1 Division on the topic of macroeconomic impacts and their role in assessing cost-  
2 effectiveness.

3  
4 **Q. How is this joint rebuttal testimony structured?**

5 A. This testimony is broken up by topic. Specifically, through this testimony, the Company  
6 responds to the following topics:

- 7 • All Cost-Effective Energy Efficiency
- 8 • Forward Capacity Market
- 9 • Benefit Cost Analysis (“BCA”) with Economic Benefits
- 10 • Income Eligible and Multifamily Programs
- 11 • Equity

12  
13 **III. All Cost-Effective Energy Efficiency**

14 **Q. Could you briefly summarize your understanding of the EERMC’s concerns**  
15 **regarding all cost-effective energy efficiency?**

16 A. The EERMC claims that more energy savings are available at similar acquisition costs as  
17 those presented in the Annual Plan and, therefore, the Company should have analyzed  
18 and pursued all cost-effective energy efficiency for inclusion in the Annual Plan.<sup>1</sup> In  
19 support of this claim, the EERMC suggests that Least Cost Procurement (“LCP”) law

---

<sup>1</sup> See Mr. Ross’ testimony, <http://www.ripuc.ri.gov/eventsactions/docket/5189-EERMC-Ross%20Testimony%20%2011.17.2021.pdf>, Page 8, Lines 18-21.

1 “requires the pursuit of all energy efficiency measures that are cost-effective and lower  
2 than the cost of supply.”<sup>2</sup>

3  
4 **Q. Does the Company agree with the EERMC’s claim that the Company should have  
5 pursued all cost-effective energy efficiency for inclusion in the Annual Plan?**

6 A. No. Consistent with R.I. Gen. Laws §39-1-27.7 (“LCP Statute”) and the LCP Standards,  
7 it is necessary to be mindful of bill and rate impacts and associated prudence  
8 requirements when pursuing cost-effective energy efficiency.

9  
10 In addition, practically speaking, it is unrealistic to expect to procure all cost-effective  
11 energy efficiency in any annual or three year period, even if there were budget to do so.  
12 One of the principles of successfully delivering energy efficiency programs is that they  
13 have to provide a sustainable business opportunity to vendors, distributors, and  
14 contractors. It is unlikely that the business community would be able to develop the  
15 capacity or would want to fully respond to the boom and bust of energy efficiency  
16 activity that would be associated with procurement in one plan period of all cost-effective  
17 energy efficiency.

---

18  
<sup>2</sup> See id at Lines 28-31.

1   **Q.    Under the LCP Statute, is it a requirement that the Company’s Annual Plan contain**  
2           **all energy efficiency measures that are cost-effective and lower than the cost of**  
3           **supply?**

4    A.    No. R.I. Gen. Laws § 39-1-27.7(d)(4) states that to implement the provisions of Least  
5           Cost Procurement, each electric and gas distribution company should submit to the Public  
6           Utilities Commission (“Commission”) a plan<sup>3</sup> for energy efficiency and conservation  
7           procurement. Subsection (d)(5) states that “the Commission shall issue an order  
8           approving all energy-efficiency measures that are cost-effective and lower cost than  
9           acquisition of additional supply, with regard to the plan from the electrical and natural  
10          gas distribution company...” The Company’s interpretation of this language is that any  
11          requirement referencing all cost-effective energy efficiency measures applies to the  
12          Commission’s review of what is in a plan submitted to the Commission, and is not a  
13          requirement of what needs to be included in the plan submitted to the Commission.

14  
15   **Q.    What is the Company’s view of the regulatory requirements regarding “all cost-**  
16           **effective energy efficiency” outlined in the LCP Standards?**

17    A.    There are two mentions of the words “all cost-effective” in the LCP Standards approved  
18           by the Commission in Docket 5015 in 2020. In Section 3.3(A)(iii), the LCP Standards  
19           state “The Three-Year EE Plan will identify the strategies and an approach to planning

---

<sup>3</sup> Subsection (d)(4) only makes reference to three-year plans, but the principles discussed here are acknowledged to apply to both three-year and annual plans.

1 and implementation of programs that will secure all cost-effective energy efficiency and  
2 conservation resources that are consistent with the Standards provided herein.” In  
3 referencing the “Standards provided herein,” it is the Company’s position that the  
4 Commission intends for the objective of “all cost-effective energy efficiency” to be  
5 viewed in context of the other attributes outlined in the LCP Standards, such as prudence,  
6 reliability, and environmental responsibility, and that it does not exist as an absolute  
7 objective that ignores the other factors.

8  
9 In LCP Standards Section 3.3(B)(i)(1)(v), it describes a fully reconciling funding  
10 mechanism “to ensure the legislative mandate to procure all cost-effective efficiency that  
11 is lower cost than supply is met.” As with the legislative mandate itself,<sup>4</sup> the funding  
12 mechanism to procure all cost-effective efficiency only applies to those elements in the  
13 plan submitted by the electric and gas distribution company that are cost effective.

14  
15 **Q. On Page 9 of its testimony, the EERMC raised concerns about the Company’s**  
16 **alleged lack of transparency related to the process for evaluating all cost-effective**  
17 **energy efficiency. What is the Company’s response to this alleged lack of**  
18 **transparency?**

---

<sup>4</sup> See R.I. Gen. Laws § 39-1-27.7(d)(5) which refers to the “plan from the electrical and natural gas distribution company.”

1 A. The Company has maintained its long-standing commitment to transparency throughout  
2 the entire process related to the evaluation and inclusion of cost-effective energy  
3 efficiency in the Annual Plan. During the Company’s preparation for the filing of the  
4 2021-2023 Energy Efficiency and Conservation Procurement Program Plan (“Three-Year  
5 Plan”) in Docket 5076, the Company evaluated several scenarios. Both the base case and  
6 high case scenarios included in the Three-Year Plan, as filed by the Company following  
7 extensive stakeholder review and input, and ultimately with the support of the EERMC,  
8 included annual budget increases greater than 5%. In response to the Three-Year Plan as  
9 filed, the Commission provided clear direction on what level of increase the Commission  
10 would view as supportable beyond 5% annual increases stating that “...the utility and  
11 stakeholders should be mindful that the bar is very high for the utility to obtain approval  
12 of a budget that is higher than the non-binding 5% target and the Commission needs to be  
13 satisfied that such an increase is in the best interest of ratepayers. In that regard, the  
14 starting point for consideration of a higher budget needs to be founded upon evidence that  
15 facts or other information presented at the time when the PUC set the target have since  
16 changed...”<sup>5</sup>

17  
18 For the Annual Plan, the Company filed a plan that is fully consistent with the  
19 aforementioned Commission guidance. To ignore the PUC’s guidance would ignore the  
20 value of the extensive Three-Year Planning process and the purpose of seeking, and

---

<sup>5</sup> See Docket No. 5076, Report and Order No. 24225, Page 47 (written order issued September 21, 2021)

1           obtaining, approval for a non-binding Three-Year Plan, which is to provide direction for  
2           planning over the applicable period. In addition, given known evaluation results, lower  
3           avoided costs, and rising vendor costs between the Three-Year Plan and filing of the  
4           2022 Annual Plan, all of which effectively increased the cost to achieve cost-effective  
5           energy efficiency resources and associated benefits, the Company saw no path to  
6           achieving the high bar set by the Commission in the 2022 calendar year.

7  
8           Throughout the planning process the Company provided numerous materials to the  
9           EERMC consulting team, including some key deliverables highlighted below:

- 10           1. June 3, 2021 - The 2022 Energy Efficiency Plan Outline Memorandum
- 11           2. July 15, 2021 – Copies of the First Draft of the 2022 Annual Energy Efficiency  
12           Plan, for review by the EERMC’s Consulting team
- 13           3. July 16, 2021 – Copies of the First Draft 2022 BCA Models, including detailed  
14           budget files, for review by the EERMC’s Consulting team
- 15           4. July 29, 2021 – Copies of the First Draft 2022 Technical Reference Manual, for  
16           review by the EERMC’s Consulting team
- 17           5. September 2, 2021 – Copies of the Bill Impact Models for the EERMC, for  
18           review by the EERMC’s Consulting team
- 19           6. September 8, 2021 – Copies of the Final Draft of the 2022 Annual Energy  
20           Efficiency Plan, for review by the EERMC’s Consulting team

- 1           7. September 9, 2021 - Copies of the Final Draft BCA Models, including detailed  
2           budget files, for review by the EERMC's Consulting team
- 3           8. September 10, 2021 – Copies of the Final Draft of the 2022 Technical Reference  
4           Manual, for review by the EERMC's Consulting team
- 5           9. October 1, 2021 - Copies of the Filed BCA Models, including detailed budget  
6           files.
- 7           10. October 11, 2021 – A copy of the Provisional Plan Electric BCA Model,  
8           including a detailed budget file.
- 9

10           In the Company's view, sufficient information was provided to the EERMC to conduct  
11           its own analysis as they saw fit for purposes of proposing alternative scenarios to meet  
12           their interpretation of the LCP Statute and LCP Standards. At no time throughout this  
13           process did the EERMC present a counter analysis and justification that would satisfy the  
14           PUC's high bar<sup>6</sup> for increased spending above the illustrative 5% year-over-year budget  
15           increase.

16

17           While the Company appreciates that constraints on energy efficiency program budget  
18           growth may be a source of frustration for stakeholders seeking greater investment in  
19           energy efficiency, this reality is not a function of a lack of transparency on the part of the  
20

---

<sup>6</sup> Please see the Company's response to OER 1-2 for a description of the PUC's high bar.

1 Company, but rather a function of the current environment in which these programs  
2 operate and the associated energy savings and associated benefit creation opportunities  
3 given the above context.  
4

5 **IV. Forward Capacity Market**

6 **Q. On Page 19 of Mr. Munoz' and Ms. Kallay's testimony, the Division indicated it has**  
7 **questions about whether the Company benefits directly or indirectly in connection**  
8 **with its bidding of energy efficiency into the FCM. Could you provide a response to**  
9 **address the Division's questions?**

10 A. The Company does not directly benefit in connection with its bidding of energy  
11 efficiency ("EE") into the FCM because it does not receive any of the revenue earned as a  
12 result thereof. While the Company has not taken indirect benefits into consideration in  
13 its bidding strategy, theoretically, the Company may indirectly benefit from its  
14 participation of EE in the FCM in two ways. First, because the revenue from the FCM is  
15 used to offset customers' EE surcharges, this reduction in the surcharge caused by FCM  
16 revenue could result in additional investments into EE programs. Any growth in the EE  
17 budgets could position the Company to pursue and achieve additional savings from those  
18 programs while remaining mindful of rate impacts. Second, increasing supply in the FCM  
19 has the impact of depressing market prices, which indirectly benefits the Company (and  
20 customers) with lower capacity costs. As noted, the Company did not take these  
21 theoretical or potential indirect benefits into consideration when bidding into the FCM.

1 **Q. Who benefits from the EE program revenue received through the FCM?**

2 A. All revenues received through EE participation in the FCM are returned directly to  
3 customers through funding the EE fund balance and commensurate decreases in the  
4 reconciliation surcharge. To date, electric customers have received over \$100 million of  
5 benefits, in the form of reduced surcharge-based collections, stemming from the  
6 Company's participation in the FCM.

7

8 **V. Benefit Cost Analysis – Economic Benefits**

9 **Q. Could you briefly summarize your understanding of the Division's position**  
10 **regarding the inclusion economic benefits in the benefit cost analysis used for energy**  
11 **efficiency?**

12 A. The Division recommends that macroeconomic impacts should be presented separately  
13 from, but alongside other BCA results. The Division also recommends reporting the full  
14 amount of macroeconomic impacts with a variety of metrics, including jobs, GDP, state  
15 income taxes, business income, and personal income. Additionally, macroeconomic  
16 impacts should be reported at the program level by direct, indirect, and induced impacts.

17

18 **Q. What is National Grid's position on the inclusion of monetary values for economic**  
19 **development benefits in benefit-cost analyses?**

1 A. As stated in its response to Data Request DIV 2-8, the Company agrees that monetary  
2 values of economic development benefits should not be added directly to other monetary  
3 values in the benefit cost analysis (“BCA”), for several reasons.

4 First, Docket 4600 does not require economic impacts be added to other monetary values  
5 in the BCA, just that economic impact analysis (“EIA”) results be accounted for.

6 Second, Docket 4600 does not require or imply that monetized impacts – which the  
7 Company measures as the net impact of the proposed investments on Rhode Island gross  
8 domestic product (“GDP”) – should be weighted the same as net bill savings, but this is  
9 implicitly the case when the GDP impacts are added to these values in the BCA. In the  
10 context of Docket 4600, the Commission and stakeholders may wish to weight the value  
11 of economic development benefits differently than net bill savings, emissions reductions  
12 and other monetized benefits in the BCA.

13

14 Third, Docket 4600 states that other macroeconomic impacts besides GDP should be  
15 considered, for example, employment and tax revenues. Providing these other economic  
16 indicators in addition to GDP would better inform the Commission and stakeholders  
17 about the potential value of the proposed investments.

18

19 Finally, for a variety of reasons, there is little consensus among researchers and  
20 policymakers regarding the merits of including economic development benefits directly  
21 in the calculation of benefit-cost ratios.

1 **Q. What is the Company’s position about the presentation of economic impacts and**  
2 **what components to present?**

3 A. The Company agrees with the Division that presenting the EE program economic impacts  
4 separately, alongside other information in the BCA, would provide the greatest value to  
5 the Commission and stakeholders. Also, the Company agrees that total economic  
6 impacts should be presented rather than attempting to subtract out impacts potentially  
7 already captured by the BCA screening - for example the direct economic impact of bill  
8 savings.

9  
10 The Company agrees with the Division that EE economic impacts be should be presented  
11 at the total electric, gas, CHP and demand response portfolio level, as provided in  
12 response to Data Request DIV 2-5. However, the Company does not agree with the  
13 Division that program level employment impacts should be shown as well, as is currently  
14 done. Providing only portfolio level economic impacts could potentially simplify the  
15 EIA estimation process and review.

16  
17 The Company recommends providing the same economic indicators from the EIA as  
18 requested by the Division in Data Request DIV 2-5, namely GDP, employment, personal  
19 income and state tax revenue. The Company does not agree with the Division that some  
20 measure of “business income” should also be included. The Division says that business  
21 income, “reflects incremental earnings taken by businesses and is equivalent to income

1 earned less costs.”<sup>7</sup> The Company does not know of any such available business income  
2 indicator. On the other hand, GDP, employment, personal income and state tax revenue  
3 are used extensively to explain local economic conditions and are understood by a wide  
4 audience.

5  
6 The Company does not recommend breaking down the economic impacts presented into  
7 direct, indirect and induced impacts, as requested in Data Request DIV 2-5. Presenting  
8 the direct, indirect and induced impacts for all economic variables adds a significant  
9 amount of complexity to the review of the EIA.

10  
11 **Q. What is the Company’s position about the Division’s recommendation that an EIA**  
12 **be used in the same way to evaluate all proposed utility investments, not just EE**  
13 **investments?**

14 A. The Company believes that a separate docket should be opened to consider this and that  
15 the Division’s recommendations in Docket 5189 should focus only on the 2022 energy  
16 efficiency plan. In addition, the Company notes that different types of proposed  
17 investments may be subject to different statutory provisions and parameters that would  
18 also need to be considered.

19  

---

<sup>7</sup> Division Direct Testimony (Part 2), page 10.

1 **VI. Income Eligible and Multifamily Programs**

2 **Q. Could you briefly summarize your understanding of the EERMC's and Division's**  
3 **position regarding the Company's performance in the income eligible and**  
4 **multifamily programs?**

5 A. The Company believes that the Division and EERMC agree that there are opportunities to  
6 improve the overall performance of the IES and Multifamily Programs. In its direct  
7 testimony, the EERMC states that the IES and Multifamily Program sections of the  
8 annual plan do not sufficiently address performance issues. The Division, in its direct  
9 testimony, also expresses concerns about IES and Multifamily program performance, but  
10 frame their assertions in the context of equity and long-term bill impacts. The Company  
11 values the Division and EERMC's perspective and participation in the Company's  
12 overall efforts to continuously improve the delivery of these programs.

13

14 **Q. Has the RI IES Program historically underperformed?**

15 A. While the IES Program has encountered recent challenges, it has not historically  
16 underperformed. Table 1, below, highlights solid performance for the IES Program from  
17 2014 – 2018 per the respective Energy Efficiency Year-End Reports. The data  
18 demonstrates that for five years, 2014 – 2018, the Program exceeded electric goals and  
19 for four years exceeded gas goals, while in 2017 came just shy of meeting the gas goal.

20

**Table 1**

<b>Single Family - Income Eligible Services Program Year</b>	<b>Customer Participation Electric</b>	<b>Customer Participation Gas</b>	<b>Energy Savings (Annual MMBtu) Gas</b>	<b>Energy Savings (Annual MWh) Electric</b>
2014	122%	134%	126%	124%
2015	114%	132%	125%	109%
2016	121%	101%	144%	115%
2017	117%	119%	133%	93%
2018	140%	91%	105%	104%
2019	136%	73%	79%	78%
2020	117%	32%	31%	54%
Q3, 2021	112%	37%	38%	49%

In 2019, electric savings were lower than planned due to fewer opportunities to replace inefficient light bulbs and appliances and insufficient auditor staffing.

In 2020 and 2021, IES performance was significantly impacted by the COVID-19 pandemic in many ways, including:

- Inability to access homes due to work hour instability, children schooling from home, fear of exposure to COVID-19, and quarantine.
- Income eligible households experiencing worse financial hardship due to COVID-19 and focusing on life essentials.
- Supply chain constraints leading to reduced availability of appliances and heating systems to replace inefficient equipment.
- CAPs loss of staff due to lack of work, job transition or extended unemployment benefits.
- Subcontractors shut down and/or loss of staff due to job transition and extended unemployment benefits.

1 **Q. In the 2022 Annual Plan, has the Company proposed steps for improving**  
2 **implementation for the Income Eligible Services Program?**

3 A. Yes, the Company has planned several improvements to IES program implementation in  
4 2022, with the goal of improving program performance in 2022. The 2022 IES Plan  
5 builds on the process improvements made in 2020 that were set forth per the 2019  
6 Process Evaluation, and in 2021, the incorporation of a third-party vendor to conduct  
7 weatherization services, development of a training program designed with a career path  
8 into the IES Program market, and the initial development of additional operational  
9 models for consideration in 2022. The 2022 Plan continues the evolution of the IES  
10 Program to incorporate processes to support CAP implementation of the IES Program,  
11 with support as appropriate from the Company and the Company's over-arching IES  
12 program implementor.

13

14 In 2022, the IES Program will continue to offer third-party weatherization services for all  
15 CAPS. The Company and the CAP Executive Directors are continuing to weigh options  
16 around how to best utilize the CAP Agencies to equitably serve customers across Rhode  
17 Island while maintaining the ability to leverage funds; conducting a training program  
18 with a direct career path to the IES Program delivery.

19

1 **Q. Does the Company believe there has been poor performance in the Multifamily**  
2 **Sector?**

3 A. No, the Company does not believe there has been poor performance in the multifamily  
4 programs. Please see historical savings performance from 2014 – 2020 and 2021  
5 performance through quarter three. There has been growing interest in the multifamily  
6 sector from stakeholders and the Company has responded by making program  
7 enhancements and commissioning a multifamily census that will provide data for  
8 targeting and outreach in 2022. Multifamily offerings will continue to evolve and engage  
9 property owners by specific segments. Please refer to Bates pages 155-160 of the Annual  
10 Plan for 2022 program changes.

11

<b>Income Eligible Multifamily</b>		
<b>Year</b>	<b>Energy Savings (Annual MMBtu)</b>	<b>Energy Savings (Annual MWh)</b>
2014	128%	155%
2015	110%	112%
2016	157%	112%
2017	111%	146%
2018	146%	75%
2019	116%	63%
2020	41%	23%
Q3, 2021	6%	39%

12

<b>EnergyWise Multifamily</b>		
<b>Year</b>	<b>Energy Savings (Annual MMBtu)</b>	<b>Energy Savings (Annual MWh)</b>
2014	180%	123%
2015	117%	118%
2016	85%	103%
2017	114%	76%
2018	99%	67%
2019	92%	34%
2020	37%	60%
Q3, 2021	31%	82%

1  
2  
3  
4  
5  
6  
7  
8  
9  
10  
11  
12  
13  
14  
15

In 2018 and 2019, electric savings were lower than planned because of a decline in opportunities to replace inefficient lighting.

In 2020 and 2021, the multifamily sector was greatly impacted by the COVID-19 pandemic. Virtual assessments, though available for this segment, were not meaningful for assessing age and efficiency of large, central heating and hot water systems within large multifamily properties – measures that contribute to significant savings. Through Q1 of 2021 property managers and landlords remained hesitant to schedule onsite assessments and installation of measures. The pandemic also had a significant financial impact on landlords and property managers because many tenants were unable to pay their rent in full and the federal eviction moratorium limited property owners from being able to collect rent. As a result, property owners have been less interested in moving forward with measure upgrades that require a co-pay.

1 **VII. Equity**

2 **Q. Could you briefly summarize your understanding of the Division's and EERMC's**  
3 **positions regarding equity in energy efficiency?**

4 A. The Company believes that the Division and EERMC agree that equitable planning,  
5 design and delivery of energy efficiency services are important, in particular for income  
6 eligible customers. In its direct testimony, the Division asked the Company to advance  
7 opportunities for income eligible customer space and water heating systems, particularly  
8 in emergency situations. The Company, its vendors, and implementers have been focused  
9 on evolving the Income Eligible Services Program delivery model to meet the needs of  
10 customers. In its direct testimony, the EERMC focused on equity-related reporting, the  
11 development of detailed implementation plans including staffing and budgets, as well as  
12 the oversight of equity-related goals and measurements of success. The Company  
13 appreciates the importance of all these matters, particularly given the Division and  
14 EERMC's roles and contributions in the energy efficiency programs. The Company is  
15 committed to continuing to work with the Division and EERMC's respective interests in  
16 equity.

17

18 **Q. Historically, how has the Company assessed equity in the design and delivery of its**  
19 **programs?**

20 A. The Company has always assessed parity between sectors along the dimensions of  
21 collections, budgets, and savings to help determine if its programs are equitable, with a

1 particular focus on income eligible services for our most vulnerable customers. From  
2 2018 to 2020, for instance, 11% of the total electric program spending and 21% of total  
3 gas program spending have been in pursuit of 3% of Company's total lifetime MWh  
4 savings and 10% of its total lifetime MMBtu savings through income eligible customer  
5 programs. While the Company recognizes that serving income eligible customers remains  
6 a challenge, there has been a consistent and significant portion of the annual budgets  
7 dedicated to this customer segment, despite the lower savings achieved relative to the  
8 costs to deliver to income eligible customers. The no-cost measures offered through the  
9 Income Eligible Services Program, as well as the commitment to deliver that Program  
10 through a community-based model executed by geographically represented CAP  
11 Agencies that are trusted energy advisors in their local communities, are two examples of  
12 how the Company has demonstrated its commitment to equity in the design and delivery  
13 of that program.

14  
15 **Q. How did the Company develop the equity-related commitments in its 2022 Annual**  
16 **Plan?**

17 A. The Company has included several equity-related program enhancements in its 2022  
18 Annual Plan developed through the EERMC and other stakeholder processes to ensure  
19 the programs continue to evolve to meet the needs of all customers. Examples of these  
20 enhancements include program implementation improvements for weatherization  
21 services in the Income Eligible Services Program, the tracking of rental units and

1 subsequent enrollment in the programs, and additional marketing and workforce  
2 development efforts. Understanding that equity is achieved with input from diverse  
3 perspectives and opinions, the Company also co-hosted an Equity Working Group  
4 (“EWG”) with the Office of Energy Resources (“OER”) in 2021. The Company believes  
5 that the membership of the EWG demonstrated a diverse balance between individuals  
6 with in-depth knowledge about the energy efficiency programs, as well as newcomers  
7 who had not engaged in past energy efficiency planning efforts. In every case, each  
8 member was an individual that had experience and expertise in providing services, or  
9 designing and implementing policies, for the benefit of residents of under-resourced  
10 communities, particularly limited income households and other diverse individuals and  
11 communities served by the Company’s programs. Over six meetings in 2021, the EWG  
12 developed and prioritized recommendations for the Company to improve the equitable  
13 design and delivery of its energy efficiency programs, and the Company responded to  
14 these recommendations with corresponding activities and demonstrations outlined in the  
15 2022 Plan. The EWG recommendations, and the Company’s proposed activities and  
16 demonstrations for success, are presented in Table 7 in the 2022 Annual Plan. The  
17 complete EWG membership and process is documented in Appendix 11 of the 2022  
18 Annual Plan. After the last EWG meeting of 2021, members were surveyed on their  
19 desire to continue the EWG. All survey respondents thought that the EWG should  
20 continue, and meetings should be at least twice a year, with most respondents preferring

1 to meet quarterly. Based on these survey responses, the Company proposed continuing  
2 the EWG in the 2022 Annual Plan, with quarterly meetings.

3  
4 **Q. Does the Company demonstrate a continued commitment to the equitable planning,  
5 design, and delivery of its programs?**

6 A. The Company believes that the 2022 Annual Plan includes strong demonstrations of the  
7 Company's commitment to the equitable planning, design, and delivery of its programs,  
8 including the continuation of the EWG, and the completion of the forthcoming  
9 Participation and Multifamily Census and the Nonparticipant Market Barriers Study, as  
10 well as the proposed Workforce Needs Assessment. The data presented in these studies  
11 will help everyone to better understand how to drive equity-related change across all the  
12 programs in a cost-efficient and measurable way. Implementation plans will be  
13 completed by the Company after there is regulatory approval for the 2022 Annual Plan.  
14 There are established planning and reporting processes in place with the PUC, DPUC,  
15 EERMC, EETWG, EWG, and through less formal stakeholder channels, to ensure the  
16 EERMC remains up-to-date and informed on all aspects of equity-related program  
17 enhancements. The Company's proposal to provide updates on the implementation of the  
18 EWG recommendations in the Q2 and Q4 Quarterly Reports to the PUC balances the  
19 need to implement these activities, once approved, with the need to demonstrate progress  
20 on the enhancements. Members of the EWG, who are also members of the EERMC, can  
21 share information about the EWG at any time, or the EERMC can receive an update

1 about the EWG, upon request. The EWG will also monitor the progress and  
2 implementation of their recommendations as a part of their 2022 activities. The  
3 Company believes that its proposed budgets and addition of a dedicated energy-  
4 efficiency customer advocate will provide the desired outcomes regarding increased  
5 attention on equitable energy efficiency services. Equity is an embedded component of  
6 the planning, design and delivery of the programs and the Company cannot reasonably  
7 separate the “every day” inputs that contribute to the inclusion, and desired outcomes, of  
8 equity. Budget for incremental EWG-related activities in the Annual Plan are outlined in  
9 EERMC 1-26.

10  
11 **VIII. Conclusion**

12 **Q. Does this conclude this joint rebuttal testimony?**

13 **A. Yes.**